

KALISPELL TOURISM
BUSINESS IMPROVEMENT
DISTRICT

BOARD OF DIRECTORS MEETING

Wednesday, October 13, 2010

3:00pm – 5:00pm

Hilton Garden Inn, Seeley Board Room

**Board of Directors Meeting
Kalispell Tourism Business Improvement District
Wednesday – October 13, 2010**

Location: Hilton Garden Inn, Kalispell, Montana, Seeley Board Room

AGENDA

3:00 pm Meeting Called to Order: Chris Walters, Chairman of the Board

1. Hear from the Public

Member of the public are invited to present information related to the Tourism Business Improvement District. Presenters are limited to three (3) minutes each.

2. Approval of minutes: September 1, 2010 board meeting

3. Board Operations

a. Treasurer's report

4. CVB Updates

a. STR Reports

b. Recap of Billings TBID meeting and Tourism Advisory Committee Meeting

c. Strategic planning session and branding timeline

d. Calgary Trade Show – November 6th & 7th

5. Other business

For Further Information, Please Contact:

Chris Walters, Board Chairman chris.walters@hilton.com or 406-758-2570
Diane Medler, CVB Director dianem@kalispellchamber.com or 406-758-2808

Board Meeting Schedule for 2010 (3:00 pm, location to be determined)

November 10

December 8

Board of Directors Meeting
Kalispell Tourism Business Improvement District
Wednesday, September 1, 2010 – 3:00 PM
15 Depot Park, Kalispell, MT

Minutes

Board Members Present: Chris Walters, David Ginepra, Bryan Scott, Arlinna Wolfe, Janet Clark, Lori Fisher and Gib Bissell

Board Members Absent: None

Staff Present: Diane Medler and Joe Unterreiner

Guests Present: None

Meeting was called to order by Chris Walters, Chairman of the Board at 3:04 PM.

1. Hear from the public- None
2. Approved Minutes from the August 18th, 2010 Meeting.
 - a. Discussion: Board had discussion that future minutes should identify who made a motion and who seconded the motion. Bryan reminded the board that in the previous meetings there was some confusion on who made motions and seconded, but all votes were unanimous and all board members were present. Bryan confirmed that future minutes would identify the motion maker and seconder.
 - b. Action: Motion was made by Janet Clark with her comments (that motioner and seconder should be identified in future minutes). Motion was seconded by Gib Bissell. The board approved motion unanimously.
3. Board Operations
 - a. Request a waiver of late fees and penalties, Motel 6 and Glacier Ridge Suites
 - i. Discussion: Board members reviewed the request by Motel 6 and Glacier Ridge Suites to waive late fees and penalties for the missed payments. Chris Walters recommended that we should waive the fees and interest.
 - ii. Actions: Gib Bissell made the motion to waive any late fees and penalties for the initial payments. Arlinna Wolfe seconded the motion. The board approved motion unanimously.
 - b. Lori Fisher Board Position Reinstatement
 - i. Discussion: Lori Fisher informed the board that she would like to be reinstated with the Board.
 - ii. Actions: Janet made the motion to reinstate/reappoint Lori Fisher to the Board of Directors. Motion was seconded by Arlinna and unanimously passed by the board.
 - c. Board Term Appointments
 - i. Discussion: Chris informed the board that all members of the board made their personal requests for term length and each fit into an acceptable spot with no over-lap. He suggested that we accept the recommendation for the term lengths as follows: David Ginepra (1 Year), Lori Fisher and Arlinna Wolfe (2 Year), Gib Bissell and Janet Clark (3 Years), and Bryan Scott and Chris Walters (4 Years).
 - ii. Actions: Lori Fisher made a motion to accept the board appointments as recommended. It was seconded by Arlinna Wolfe. The motion passed unanimously.
 - d. Financial Procedures
 - i. Discussion: The board reviewed a resolution prepared by the Chamber to deliver to the bank. The resolution designated the TBID Executive Director (currently Joe Unterreiner) and TBID

Program Director (currently Diane Medler) as signers on the account. Bryan requested that board members consider what type of report they wanted from the treasurer each month.

- ii. Actions: Gibb made the motion to approve the letter as written to First Interstate Bank. Motion was seconded by Lori Fisher and was passed unanimously.

4. Overview of Tourism in Montana and Kalispell

a. Bed Tax and TBID marketing plan review

- i. Discussion: The board reviewed the budget previously approved for FY '11.
- ii. Action: No action was formally taken, but the consensus of the board was to advise Diane to start enrolling and participating with the Destination Reports provided by Smith Travel Research.

b. Process plan moving forward with TBID marketing plan and budget

- i. Discussion: Diane gave a presentation to the board on local tourism, current marketing plans and budget and the process moving forward. Presentation attached to minutes.
- ii. Action: No Action was formally taken.

5. Other Business

a. Update on agenda of state-wide TBID meeting in Billings, September 15th.

- i. Discussion: Diane Medler informed the board that there was a meeting to take place in Billings on September 15th, she said that if she could get some face time with Joan of the Billings TBID, she would like to attend in person. Since we had a board meeting already scheduled for this date the suggestion was made to cancel the board meeting and make the conference room available to listen to the Billings meeting via conference call. It was also discussed that this cancelled meeting would allow Diane time to get started on the process plan and other short term items discussed.
- ii. Actions: Gibb made the motion to cancel the September 15th board meeting and have the conference room available to listen in to the Billings meeting. Motion was seconded by Arlinna Wolfe and passed unanimously by the board.

b. Gib Bissell to discuss concerns of local retailers handling of Canadian currency.

- i. Gibb proposed that we distribute a flyer for front desk agents showing places in Kalispell that exchange Canadian Currency. Bryan also recommended that the Chamber look at adding a web page to their site that showed businesses who accept and/or exchange Canadian Currency.

Meeting was adjourned by Chris Walters at 4:45 PM.

Respectfully Submitted: Bryan Scott (Treasurer-Secretary)

For Further Information, Please Contact

Chris Walters, Board Chairman, Chris.Walters@hilton.com or 406-758-2570

Diane Medler, CVB Director, dianem@kalispellchamber.com or 406-758-2808

Board Meeting Schedule for 2010 (Kalispell Chamber Conference Room at 3:00 Pm)

September 1

~~September 15~~

October 13

November 10

December 8

ATTACHMENT

Presentation - TBID Board of Directors Meeting, September 1, 2010

2009 Montana Tourism Environment

- * Travel expenditures by nonresident visitors totaled over \$2.27 billion, generating \$2.33 billion in total economic impact
- * Nearly 10 million nonresident travelers visited Montana
- * Airline passenger traffic decreased 4.6% from 2008
- * Amtrak ridership decreased 10% from 2008
- * Room supply was up 1.1% in 2009, room demand was down 4.5%
- * Occupancy rates decreased each of the last 3 years
- * ADR decreased 1.6%
- * 85% plan to return within two years
- * 83% are repeat visitors
- * Montana vacationers have a 97% rate of overall satisfaction with the state

Top Attractions for Montana visitors:

- Mountains/forests
- Yellowstone
- Glacier
- Open space/uncrowded areas
- Wildlife
- Rivers/lakes

Top Activities for Montana visitors:

- Scenic driving
- Wildlife watching
- Day hiking
- Nature photography
- Recreational shopping
- Visit historical sites

The Kalispell Visitor

- * 82% plan to return within 2 years
- * 75% are repeat visitors
- * 44% were here on vacation, 23% for business/conv/meeting
- * 46% used the internet to plan their trip
- * Of the nights spent in MT:
 - 48% spent in hotel/motel/B&B
 - 28% spent in home of friend/relative

Data from ITRR 2005 nonresident studies

Flathead Valley Visitor Inquiries

Activity to call center between July 2009 and June 2010 (utilizing FCVB's 800# & website):

Total inquiries to call center	26,282
Total packages mailed	34,693

Inquiry by State - Top 10 states:

CA, WA, TX, OR, FL, IL, AZ, CO, PA, MN

Inquiry by activity preference:

Attractions	Culture/Arts
Outdoor Adventure	Rafting
Hunting/Fishing	Snowmobiling
Lodging	Skiing

Data from MARS Stout June 2009 - June 2010, includes leads from Glacier Country

Kalispell Bed Tax & TBID Marketing Plan – as approved for FY '11

Goals:

- * Create website
- * Contract for PR services
- * Create fulfillment piece (travel guide)
- * Establish relationships with KDA, KBID
- * Commission collaborative branding campaign
- * Establish collaboration with local event organizers
- * Promote existing events
- * Grow winter and shoulder market (Nov-May)
- * Capitalize on Canadian holidays
- * Incorporate Montana Tourism branding initiative
- * Incorporate Montana Tourism strategic plan

Measurable Objectives:

Increase lodging occupancy in Kalispell by 2%

(Measured by STR Global destination reports)

Generate 200 qualified meeting and convention leads
Generate 100 qualified motorcoach group leads
Generate 50 qualified sporting event leads
Create promotional database of 2,000+ leisure travelers
Create a media database of 1,000 travel writers, editors

- * book 2 conv/meetings (goal 100+ ppl, 3+ nights)
- * book 2 groups (goal 30-40 ppl, 1+ nights)
- * book 1 sporting event

Target Markets:

Individual traveler:

Drive market: AB, WA, MT, ID

Fly market: Seattle, Minneapolis, SLC, Denver, Chicago, Vegas, Phoenix

Group market: Pacific NW/mountain region: AB, WA, OR, MN, CO, ID

ATTACHMENT

Presentation TBID Board of Directors Meeting, September 1, 2010

Budget - as approved for FY'11

Bed Tax Funds	\$	83,554
TBID Funds	\$	335,000
	\$	418,554

<u>Program Description</u>	<u>BED TAX</u>	<u>TBID</u>	<u>Total</u>	<u>% Total Budget</u>
Staffing				
Program Manager	\$ 10,554	\$ 25,000	\$ 35,554	
Sales Manager		\$ 45,000	\$ 45,000	
KCOC Employee Benefits Pkg (25%)		\$ 11,400	\$ 11,400	
	\$ 10,554	\$ 81,400	\$ 91,954	22%
Admin				
Rent (\$492/month, includes DSL)	\$ 500	\$ 5,500	\$ 6,000	
CenturyLink: 2 Phone, 1 Fax (Avg \$150/month)	\$ 200	\$ 1,600	\$ 1,800	
Office Supplies (Avg \$75/month)	\$ 100	\$ 800	\$ 900	
Postage (Avg \$75/month)	\$ 100	\$ 800	\$ 900	
Copies (Avg \$15/month)	\$ 50	\$ 150	\$ 200	
Storage Unit	\$ 150	\$ 150	\$ 300	
Insurance		\$ 500	\$ 500	
Audit		\$ 1,000	\$ 1,000	
Bookkeeping (Avg \$200/month)	\$ 900	\$ 1,500	\$ 2,400	
Tax Prep		\$ 200	\$ 200	
City of Kalispell (2.5%)		\$ 6,800	\$ 6,800	
	\$ 2,000	\$ 19,000	\$ 21,000	5%
Fulfillment - Contract Service (MARS Stout, Missoula)				
Phone (800 Line; \$26/month)	\$ 300		\$ 300	
Services (Avg \$1,250/month)	\$ 17,000		\$ 17,000	
Postage (Avg \$1k/month)	\$ 15,000		\$ 15,000	
	\$ 32,300	\$ -	\$ 32,300	8%
Web Site				
Development		\$ 5,000	\$ 5,000	
Maintenance		\$ 3,000	\$ 3,000	
	\$ -	\$ 8,000	\$ 8,000	2%
TAC/Gov Conf/Region CVB Mtgs (2 ppl)	\$ 2,700		\$ 2,700	1%
Opportunity, Joint Ventures	\$ 2,000	\$ 1,000	\$ 3,000	1%
Branding	\$ 10,000	\$ 10,000	\$ 20,000	5%
Event Sponsorship		\$ 5,000	\$ 5,000	1%
Trade Show Booth		\$ 2,000	\$ 2,000	0%
Kalispell Chamber VIC Staff Funding	\$ 12,000	\$ 12,000	\$ 24,000	6%
Sales Calls (Travel, Lodging, Meals)		\$ 20,000	\$ 20,000	5%
Consumer/Leisure Marketing (Advertising, Trade Shows)	\$ 5,000	\$ 75,000	\$ 80,000	19%
Group Marketing (Advertising, Trade Shows, Incentives)	\$ 5,000	\$ 75,000	\$ 80,000	19%
Publications (Printing & Production)	\$ 1,000	\$ 15,000	\$ 16,000	4%
Public Relations	\$ 1,000	\$ 7,000	\$ 8,000	2%
Research (STR Destination Reports)		\$ 4,600	\$ 4,600	1%
Total	\$ 83,554	\$ 335,000	\$ 418,554	

ATTACHMENT

Presentation - TBID Board of Directors Meeting, September 1, 2010

TBID Marketing Plan MOVING FORWARD

THE PLAN FOR LONG TERM SUCCESS:

- Facilitated strategic planning session
- Create the strategic plan
- Define our brand / message
- Define our marketing plan strategies and action items

IDENTIFY SHORT TERM NEEDS:

- Create hotel guide to include in fulfillment packages & visitor centers
- Create KCVB meeting planners guide
- Improved promotion of hotels and events on Chamber website

11:08 AM
10/13/10
Accrual Basis

Tourism Business Improvement District Profit & Loss Prev Year Comparison July through September 2010

	<u>Jul - Sep 10</u>	<u>Jul - Sep 09</u>	<u>\$ Change</u>	<u>% Change</u>
Income				
TBID Revenue	16,491.75	0.00	16,491.75	100.0%
Interest Income	0.77	0.00	0.77	100.0%
Total Income	<u>16,492.52</u>	<u>0.00</u>	<u>16,492.52</u>	<u>100.0%</u>
Expense				
Staffing	3,560.41	0.00	3,560.41	100.0%
Administrative Exp	2,361.90	0.00	2,361.90	100.0%
City of Kalispell Admin Fee	412.27	0.00	412.27	100.0%
Employee Search Exp	3,360.12	0.00	3,360.12	100.0%
Group Marketing	52.92	0.00	52.92	100.0%
Public Relations	361.39	0.00	361.39	100.0%
Research	2,400.00	0.00	2,400.00	100.0%
Total Expense	<u>12,509.01</u>	<u>0.00</u>	<u>12,509.01</u>	<u>100.0%</u>
Net Income	<u><u>3,983.51</u></u>	<u><u>0.00</u></u>	<u><u>3,983.51</u></u>	<u><u>100.0%</u></u>

Tourism Business Improvement District Balance Sheet Prev Year Comparison As of September 30, 2010

	<u>Sep 30, 10</u>	<u>Sep 30, 09</u>	<u>\$ Change</u>	<u>% Change</u>
ASSETS				
Current Assets				
Checking/Savings				
Checking	10,894.91	0.00	10,894.91	100.0%
Total Checking/Savings	10,894.91	0.00	10,894.91	100.0%
Total Current Assets	10,894.91	0.00	10,894.91	100.0%
TOTAL ASSETS	10,894.91	0.00	10,894.91	100.0%
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
Accounts Payable	6,911.40	0.00	6,911.40	100.0%
Total Accounts Payable	6,911.40	0.00	6,911.40	100.0%
Total Current Liabilities	6,911.40	0.00	6,911.40	100.0%
Total Liabilities	6,911.40	0.00	6,911.40	100.0%
Equity				
Net Income	3,983.51	0.00	3,983.51	100.0%
Total Equity	3,983.51	0.00	3,983.51	100.0%
TOTAL LIABILITIES & EQUITY	10,894.91	0.00	10,894.91	100.0%

Kalispell Tourism Business Improvement District
Financial Variance Report
July 1 – September 30, 2010

Balance Sheet:

Accounts payable: pay and benefits are paid in arrears, accounting for most of the payables

Note: We do not expect to draw down on the Chamber line of credit.

Profit and Loss Statement:

Administrative:

- The prorata share of TBID occupancy expense is \$367/mo., a savings of \$133 /mo. vs. budget. More space is available if and when the CVB needs it.
- Also includes various IT and bookkeeping set up costs.

City Admin Fee: We're showing this in order to track this (deducted before we receive our check)

Employee Search: This unbudgeted item was approved by the board with Express Personnel

Public Relations: A portion of TBID state-wide meeting in Billings; balance of Helena work was charged to Bed Tax.

Research: Half of the Star report charge; second half in six months

Tab 4 - Multi-Segment

Currency: USD - US Dollar

Kalispell Area Chamber of Commerce

For the month of August 2010

	Current Month - August 2010 vs August 2009												Year to Date - August 2010 vs August 2009												Participation			
	Occ %		ADR		Rev/PAR		Percent Change from August 2009				Occ %		ADR		Rev/PAR		Percent Change from YTD 2009				Properties	Rooms						
	2010	2009	2010	2009	2010	2009	Occ	ADR	Rev/PAR	Room Rev	Room Avail	Room Sold	2010	2009	2010	2009	Occ	ADR	Rev/PAR	Room Rev	Room Avail	Room Sold	Sample	Sample				
Miscellaneous	78.8	76.1	88.42	87.86	68.70	66.84	3.6	0.6	4.3	4.3	-0.0	3.6	56.5	55.3	81.90	82.06	46.26	45.38	2.1	-0.2	1.9	2.2	0.3	2.4	68	40	4745	3404
Billings, MT Area	80.7	75.1	82.89	80.63	66.74	60.51	7.5	2.6	10.3	10.3	0.0	7.5	61.0	60.5	76.02	74.52	46.39	45.07	0.9	2.0	2.9	2.9	0.0	0.9	64	34	4783	3401
Bozeman/Yellowstone Area	84.3	80.0	107.80	103.22	90.86	82.59	5.3	4.4	10.0	12.8	2.6	8.0	58.2	55.5	91.77	88.90	53.40	49.31	4.9	3.2	8.3	10.1	1.6	6.6	104	39	6430	2915
Helena/Great Falls	81.8	68.7	80.43	79.97	65.79	54.91	19.1	0.6	19.8	19.8	-0.0	19.1	63.8	60.4	75.07	76.90	47.90	46.44	5.7	-2.4	3.2	5.7	2.4	8.2	47	31	3549	2855

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Source 2010 SMITH TRAVEL RESEARCH, Inc.